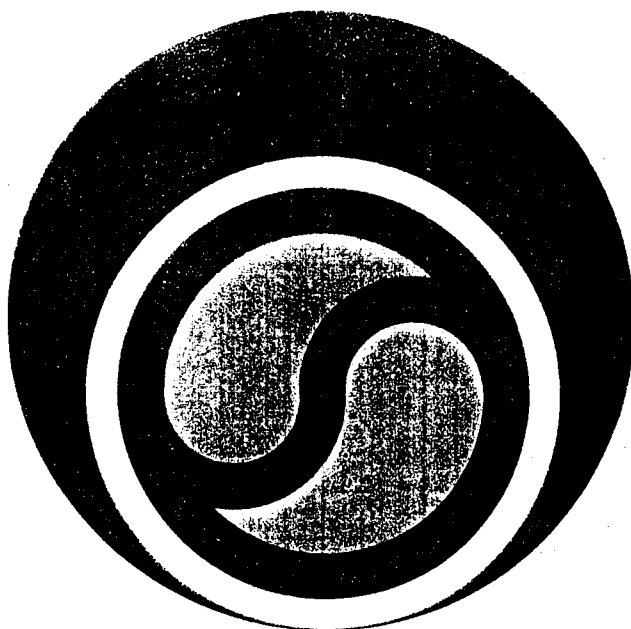


EXTRACTS FROM

EXTRACTS FROM

Bharat Petroleum Corporation Limited  **Twenty Fourth Annual Report 1976**



BHARAT PETROLEUM CORPORATION LIMITED

Board of Directors

R. N. BHATNAGAR
Chairman & Managing Director

R. M. BHANDARI

BAZLE KARIM

S. L. KHOSLA

L. KUMAR

C. VENKATARAMANI

Secretary

P. J. KISHINCHANDANI

Joint Auditors

SORAB S. ENGINEER & CO.

N. M. RAIJI & CO.

V. SANKAR AIYAR & CO.

Registered Office

BHARAT BHAVAN
4 & 6 CURRIMBOY ROAD
BALLARD ESTATE
BOMBAY 400 038.

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting their Twenty-fourth Annual Report together with the audited Statement of Accounts of the Corporation for the year ended 31st December, 1976.

CORPORATE EVENTS

It was reported last year that pursuant to an agreement signed by The Burmah Oil Company Limited and The Shell Petroleum Company Limited on 23rd December, 1975, the Government of India acquired 100 per cent equity shareholding in your Company on 24th January, 1976, and effective the same date vested the right, title and interest and liabilities of Burmah-Shell Oil Storage and Distributing Company of India Limited in relation to its undertakings in India in your Company. The name of your Company was changed to Bharat Refineries Limited with effect from 12th February, 1976. As it is an integrated refining and marketing Company, its name was again changed to Bharat Petroleum Corporation Limited with effect from 1st August, 1977. It has also been decided to change the accounting period from calendar year to financial year and, as a result, the accounts of next year will be for a period of fifteen months from January 1977 to March 1978.

This report covers both the refining and marketing operations as against only the refining operations covered in the earlier reports.

FINANCIAL RESULTS

	(Rupees in Crores)	
	1976	1975
Profit for the year, before depreciation amounted to	8.33	2.74
Deducting therefrom Depreciation	2.39	0.87
Net profit amounted to	5.94	1.87
Deducting therefrom Provision for taxation	4.28	1.21
Profit after tax is	1.66	0.66
Adding thereto		
Transfer from Development Rebate Reserve	0.32	0.22
Balance of profit from previous year after payment of dividend	0.10	0.97
Loss on Marketing Operations in the pre-vesting period (1-1-1976 to 23-1-1976) adjusted against Capital Reserve	0.25	—
Amount available for disposal is	2.33	1.85

DIVIDEND

Out of the disposable surplus of Rs. 2.33 crores, your Directors recommend a dividend @ 10 per cent on Equity Shares (@ Rs. 10 per fully paid share and Rs. 6.313 per partly paid share) amounting to Rs. 1,45,38,335 as against 7% (@ Rs. 7 per fully paid share and Rs. 4.4191 per partly paid share) amounting to Rs. 1,01,76,835 for the year 1975. The remaining amount of Rs. 87,72,660 is carried forward to Balance Sheet.

FINANCES

The net value of Indian Assets and Liabilities of Burmah-Shell Oil Storage and Distributing Company of India Limited vested in the Company by virtue of the Government of India Notification dated 24th January, 1976, has been determined at Rs. 28,08,62,831, which is represented in the Corporation's Accounts as follows:

	Rs.
(i) Loan from the Central Government	11,28,00,000
(ii) Development Rebate Reserve No. 2 A/c., being the Reserve in Burmah-Shell Oil Storage & Distributing Company of India Ltd.'s books of account on the date of vesting of its undertakings in India	32,24,808
(iii) Capital Reserve being the excess of the value of the assets vested after the abovesaid adjustments	16,48,38,023

While paid up capital remained unaltered at Rs. 14,53,83,350, the Corporation received loans of Rs. 93.50 lakhs from the Government of India and Rs. 66 lakhs from the Oil Industry Development Board. Including Rs. 1128 lakhs referred to above, the total amount of outstanding loan was Rs. 1287.50 lakhs at the close of the year.

REFINERY

Crude Consumption: Crude consumption during the year at 3.75 million tonnes was 7% higher than consumption in the previous year of 3.51 million tonnes. Your Refinery was the first in the country to process Bombay High crude commencing from July 1976 and, by the end of the year, 158,809 tonnes of this crude were processed. In all, ten different crudes were processed during the year as compared to five in the previous year.

Production: While total production rose by 7% from 3.31 million tonnes in 1975 to 3.54 million tonnes during the year under report, the production of

Aviation Turbines Fuel, Jute Batching Oil and SBP 64/69 reached an all-time high of 203,023 tonnes, 58,372 tonnes and 10,897 tonnes respectively. The production of Motor Spirit at 162,158 tonnes was higher than last year by 56%, while that of Bitumen rose by 51% from 244,103 tonnes in 1975 to 368,030 tonnes during 1976 due to improvement in internal demand as well as exports. LPG production also improved further to 78,342 tonnes compared to 69,748 tonnes in 1975, giving the highest ever yield on crude of 2.1% by weight as against 2.0% during 1975. Despite the higher crude intake and twice as many crudes processed during the year, the yield of middle distillates was 52.4% by weight on crude compared to 51.2% in 1975 and the yield of total distillates was 67.9% by weight on crude as against 65.2% in 1975. Even though distillates yield was higher than last year, the refinery fuel and loss (excluding product transfer loss) was lower at 5.7% by weight on crude as against 5.9% in 1975. Re-arrangement of heat exchanger trains, stricter control of furnace efficiency, improved insulation etc. helped in achieving fuel economy.

Facilities for processing Bombay High Crude: Construction work on facilities—estimated to cost Rs. 200 lakhs—for processing 2 million tonnes per annum of Bombay High crude along with West Asian crudes and on facilities—estimated to cost Rs. 300 lakhs—for processing 4.6 million tonnes per annum of Bombay High crude neat progressed according to schedule. Further, construction work on facilities—estimated to cost Rs. 243 lakhs—for the operational integration of the adjacent refineries of BPCL and HPCL in order to overcome product yield problems arising from the processing of Bombay High crude and to attain overall optimisation is generally progressing on schedule, except blending facility for naphtha at HPCL which is somewhat behind schedule.

Safety: During the year, several measures to improve operational safety were implemented and performance of one million man-hours without lost time accident was achieved twice. The Refinery also received 3 National Safety Awards for its excellent performance in the previous year.

Import Substitution: The Technical Development Committee on Indigenous Materials, whose formation was pioneered by your Corporation (erstwhile Burmah-Shell) in mid-1970 continued to function actively. Foreign exchange saving from items developed so far for member industries alone is about Rs. 5.5 crores per annum.

Environmental Improvement: Your Corporation continues to take an active part in environmental improvement by way of participation in industry deliberations, training courses, seminars, etc., strict control and vigilance on the operations and undertaking programmes to monitor and reduce pollution. The advent of

LSHS and other low sulphur products from Bombay High crude will achieve a significant reduction in sulphur-dioxide emission levels in the region. The Corporation has planted a large number of trees in the Refinery to further improve environmental conditions in that area.

MARKETING

In the first year of its operation in the Public Sector, your Corporation concentrated on improving its supply and distribution arrangements, developing its customer service and trying to regain the ground lost earlier.

Total sales during the year were 3.63 million tonnes compared to 3.06 million tonnes during 1975, registering an increase of 18.5% against 5.5% by which Industry sales rose during the corresponding period. The main products which accounted for substantial growth were LDO (58%), FO (39%), Bitumen (35%), Kerosene (34%), HSD (18%) and ATF (17%). Your Corporation's market participation rose to 16% from 14.5% last year.

During the year under report, active assistance was provided to our Furnace Oil customers in Bombay to enable them to use high pour point Furnace Oil consequent on the processing of Bombay High crude at our Refinery. Your Corporation also participated in the Industry Panel formed for the purpose of absorption of Koyali Low Sulphur Heavy Stock (ex IOC's Bassein Installation) in the Bombay market and in the activities of the Petroleum Conservation Action Group.

The total number of retail outlets at the close of the year was 3,183 as against 3,157 as on 31st December, 1975. With a view to improving the distribution of essential commodities in the rural areas, the Corporation commissioned 22 Multi Purpose Distribution Centres and 4 Farm Fuel Outlets. One Rural Kerosene Depot was also commissioned on an experimental basis.

DISTRIBUTION

At the end of the year, your Corporation had 5 Port Installations, 2 Lubricating Oil Blending Plants and 61 Bulk Depots with a total tankage of 6.07 lakh kls. The throughput of products handled rose by 27% from 84 lakh kls in 1975 to 107 lakh kls during 1976.

EXPORTS

During the year, 19,530 tonnes of Bitumen were exported, earning Rs. 170 lakhs in foreign exchange. Another 20,466 tonnes of our Bitumen were exported by the Indian Oil Corporation Limited. Exports of non-petroleum products mainly to West Asian countries continued as in the past and earned Rs. 39 lakhs in foreign exchange as against Rs. 47 lakhs in 1975. Reduction was mainly due to revision in the drilling

programme of the Petroleum Development (Oman) Ltd.

OUTLOOK

Sales: From 1st October, 1976, the Ministry of Petroleum have made Companywise sales allocations. Under the Sales Plan for 1977-78, your Corporation's entitlement has been fixed at 4.19 million tonnes representing a growth of 11% over the 1976-77 period. Sales during April '77—January '78 amounted to 3.47 million tonnes. With sustained efforts being made to improve performance still further, your Directors are hopeful of better results next year.

LPG from Bombay High Associated Gas: Your Corporation is pursuing a major project for marketing LPG from offshore gas and, by way of advance action, the Government have accorded sanction to BPCL/HPCL/CORIL to incur capital expenditure of Rs. 2.68 crores during 1977-78 on shell plates for storage tanks, cylinders and pressure regulators of which your Corporation's share is Rs. 1.20 crores.

Aromatics from Bombay High Naphtha: Your Corporation is also studying the feasibility of manufacturing aromatics from naphtha fractions available from the refining of Bombay High crude.

PERSONNEL

Total number of employees stood at 4,847 as on 31st December, 1976. Industrial relations continued to be cordial throughout the year.

In accordance with the Presidential Directive, reservation in employment is made for persons belonging to Scheduled Castes/Tribes. Emphasis continues to be laid on training. Apart from conducting courses on various management subjects at the Corporation's Training Centre, employees were also sponsored for various external training courses and seminars. During the year, 77 apprentices were enrolled for training.

As in the past, the Corporation continued to give assistance for the sports and recreation activities of the employees and sanctioned 24 scholarships of Rs. 75 each tenable for 4 years to the children of employees.

Particulars of employees required under Section 217 (2-A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, are set out in Annexure I to this report.

SUBSIDIARY COMPANIES

Burmah-Shell Provident Trust Private Limited, Burmah-Shell Pensions Trust Private Limited and Burmah-Shell Properties Private Limited are wholly

owned subsidiaries of the Corporation. Their audited Statements of Accounts and Directors' Reports for the year ended 31st December, 1976 are annexed hereto.

DIRECTORS

Shri S.L. Khosla was appointed as Director with effect from 24th December, 1976.

Shri S. Krishnaswami resigned from the Board with effect from 1st January, 1977. Your Board wishes to place on record its appreciation of the valuable services rendered by him as Chairman of the Corporation.

Shri M. Ramaswami was appointed as Chairman with effect from 1st January, 1977. He resigned from the office of Chairman with effect from 4th April, 1977.

Shri R. N. Bhatnagar was appointed as Chairman & Managing Director of the Corporation with effect from 4th April, 1977. His appointment as Managing Director is subject to approval of the Shareholders and the Central Government as required under the Companies Act, 1956.

Shri M. Ramaswami resigned from the Board with effect from 5th August, 1977. Your Board wishes to place on record its appreciation of the valuable services rendered by him.

Shri C. Venkataramani and Shri L. Kumar were appointed as Directors with effect from 5th August, 1977.

In accordance with Article 77(2) of the Articles of Association of the Corporation, all Directors retired on 29th September '77 when the Board was reconstituted.

AUDITORS

The present Auditors of the Company, M/s. V. Sankar Iyer & Co., M/s. Sorab S. Engineer & Co. and M/s. N. M. Raiji & Co., will retire at the conclusion of the Annual General Meeting. Auditors for the year 1977-78 will be appointed by the Central Government under Section 619(2) of the Companies Act, 1956.

ACKNOWLEDGEMENT

Your Directors express their thanks for the co-operation and assistance extended by the Government of India. The Board also wishes to place on record its appreciation of the sincere and devoted services rendered by the employees of the Corporation.

For and on behalf of the Board of Directors

R. N. BHATNAGAR
Chairman

New Delhi, 28th February, 1978.

AUDITORS' REPORT

TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of BHARAT PETROLEUM CORPORATION LIMITED (FORMERLY KNOWN AS BHARAT REFINERIES LIMITED), as at 31st December, 1976, and also the annexed Profit and Loss Account of the Corporation for the year ended on that date, and report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 2. in our opinion, proper books of account as required by law have been kept by the Corporation, so far as appears from our examination of those books;
 3. the Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account;
 4. in our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to Note No. 9 regarding advertisement in a Souvenir of a political party, Note No. 12 regarding remuneration to Managing and Whole-time Directors being subject to approval of Shareholders and the Central Government, Note No. 13 regarding provision made for unfunded retirement benefits and Note No. 15 regarding Drum Steel Stocks of Profit and Loss Account and subject to Note Nos. 5(i), (ii) and (v) regarding the Corporation's Land and Title thereto, Note No. 9(ii) (b) (i), regarding surety bonds issued subject to Shareholders' approval, Note No. 10 regarding vesting of assets and liabilities of erstwhile Burmah-Shell Oil Storage & Distributing Company of India Limited, Note No. 12 regarding confirmations of balances due to/from other Oil Companies, Note No. 14 regarding transactions relating to Pool accounts and Note No. 15 regarding Loan to a company subject to approval of the Central Government, of the Balance Sheet read together with other Notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Corporation as at 31st December, 1976;
 - and
 - (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.
5. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1975, issued by the Central Government in terms of Section 227(4-A) of the Companies Act, 1956, we further report that:
 - (i) The asset register is incomplete in certain respects and the work is under progress. During the year we are informed that physical verification of some of the assets has been carried out by the management. In view of the records being incomplete, the discrepancies, if any, between the physical verification and the book records could not be determined.
 - (ii) None of the fixed assets of the Refining Division of the Corporation have been revalued during the year. As regards fixed assets of the Marketing Division vested by the Government in the Corporation, please see Note No. 10 of the Balance Sheet.
 - (iii) Physical verification has been conducted by the Management during the year in respect of finished goods, stores, spare parts and raw materials, except drum steel. We are informed that no significant discrepancies have been noticed on such verification as compared to book records except in the case of drum steel for which please see Note No. 15 of Profit and Loss Account. In our opinion the valuation of these stocks is fair and proper in accordance with the normally accepted accounting principles.

The basis of valuation of stock of stores and spare parts is the same as in the earlier year. This is the first year of the valuation of stocks of raw materials, finished products and packages
 - (iv) The Corporation has not obtained any loans from companies, firms or other parties listed in the registers maintained under Section 301 and Section 370(1-C) of the Companies Act, 1956.
 - (v) The Corporation has given loans to two companies, both Government Undertakings, in respect of which loans, repayment schedules have not been stipulated. Repayments are, however, received whenever called for. Interest as stipulated has been regularly received in respect of these loans. The Corporation has also given loans and advances to employees who are repaying

BHARAT PETROLEUM CORPORATION LIMITED

the principal amounts with interest as stipulated.

- (vi) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Corporation and the nature of its business for the purchase of stores, raw materials, plant and machinery and other assets.
- (vii) According to the information given to us, there are no purchases during the year of stores and raw materials exceeding Rs. 10,000/- in value for each type thereof from the subsidiaries, firms, companies or other parties in which the directors are interested as provided in Section 299 of the Companies Act, 1956.
- (viii) According to the information and explanations given to us, the Corporation has a procedure for determining damaged and unserviceable stores and raw materials. Provision for loss in respect thereof has been made in the accounts.
- (ix) The Corporation has not accepted deposits from the public, within the meaning of the Companies (Acceptance of Deposit) Rules, 1975.

- (x) In our opinion and as per the information and explanations given to us, reasonable records have been maintained by the Corporation for the sale and disposal of scrap and realisable by-products.
- (xi) The Corporation has an internal audit system. However, in our opinion, it needs to be strengthened to be commensurate with the size and nature of its business.
- (xii) As per the information given to us, the maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, for the year under review for any of the products of the Corporation.
- (xiii) According to the records of the Corporation, provident fund dues have been regularly deposited during the year with the appropriate authorities.
- (xiv) In respect of the trading activities carried on by the Corporation, it has determined the damaged goods. As per the information given to us, the value of such goods is not significant.

6. The above report supercedes and cancels our report dated 29-9-1977 on the accounts of the Corporation for the year ended 31st December, 1976, which have since been revised by the Board of Directors.

For and on behalf of
SORAB S. ENGINEER & CO.
Chartered Accountants
R. N. KATRAK
Partner

For and on behalf of
N. M. RAIJI & CO.
Chartered Accountants
V. V. NERURKAR
Partner

For and on behalf of
V. SANKAR AIYAR & CO.
Chartered Accountants
S. SRINIVASAN
Partner

Bombay, 1st March, 1978

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE
ACCOUNTS OF BHARAT PETROLEUM CORPORATION LIMITED, BOMBAY
FOR THE YEAR ENDING 31ST DECEMBER, 1976.

PROFIT AND LOSS ACCOUNT

INCOME

1. Net Recoveries from Industry and Other Pool Accounts—Rs. 21,31,25,103.

- (i) This includes excess credits on account of claims from Block Control Account amounting to Rs. 5.48 lakhs (Rs. 4.15 lakhs—own use and Rs. 1.33 lakhs—cost of contaminated lube stock). As a result of treating the issues for own consumption, for use in manufacturing, etc., (other than lube products) as sales, the Company had also to surrender Rs. 12.50 lakhs as surcharges during the year 1976.
- (ii) The extent of adverse financial impact on account of plant deficiency, operational de-

facts, etc. in the claim from pool account on account of variation from standard product pattern, has not been worked out.

2. Prior Years' Income net—Rs. 58,38,372.

The Company has accounted for the items of expenses and income not exceeding Rs. 50,000 in each case pertaining to past years as current year's transactions. The aggregate effect of such items booked as current year's income/expense has not been disclosed.

M. S. SARNA
*Member, Audit Board & Ex-Officio
Director of Commercial Audit*

Dehra Dun, 30th March, 1978.

ADDENDUM TO THE DIRECTORS' REPORT DATED 28TH FEBRUARY, 1978

A. REMARKS ON THE REPORT OF THE STATUTORY AUDITORS DATED 1ST MARCH, 1978 TO THE SHAREHOLDERS ON THE ACCOUNTS OF BHARAT PETROLEUM CORPORATION LTD. FOR THE YEAR ENDED 31ST DECEMBER, 1976:

I. Notes forming part of Profit & Loss Account:

Note 13 : The provision has been made on accruals basis instead of cash basis in the past.

Note 15 : The deficiency is under investigation.

II. Notes forming part of Balance Sheet:

Note 5(v) : The Title Deeds will be made available for verification.

Note 12 : This is not possible in view of the practical difficulties involved.

III. Report under S. 227(4-A) of the Companies Act, 1956:

Para 1 : **Asset Register:** The maintenance of detailed Asset Register was discontinued as far back as 1965. The work to complete the detailed Asset Register is in progress.

Para 11 : **Internal Audit:** The strength of the Internal Audit Department is being augmented.

B. REPLIES TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR-GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF BHARAT PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31ST DECEMBER, 1976:

PROFIT AND LOSS ACCOUNT

INCOME

1. Net recoveries from Industry and other Pool Accounts—Rs. 21,31,25,103.

A. The Corporation had consistently followed the procedure, under which issues of all products (including lubs/greases) for manufacture, blending and internal consumption etc. were taken as sales and this fact had been disclosed over the years in various returns submitted for purposes of claims/surrenders under the Industry Pool arrangement.

B. This could not be done in the absence of detailed mechanism, which is still under in-depth study by the Ministry of Petroleum, Oil Co-ordination Committee and the Industry. Necessary adjustments, if any, in claims on Pool Account will be made on finalisation of the method to quantify the adverse financial impact.

2. The Corporation has instituted a uniform limit of Rs. 50,000 in respect of each transaction of income and expenditure relating to prior years. This has been done keeping in view the materiality in relation to overall volume of transactions and the procedure adopted does not materially affect the disclosure of the results of the working of the Corporation.

For and on behalf of the Board of Directors

R. N. BHATNAGAR

Chairman

New Delhi, 14th April, 1978.

BALANCE SHEET AS AT 31ST DECEMBER, 1976

	Note Reference	Rupees	As at 31st December, 1976 Rupees	As at 31st December, 1975 Rupees
SOURCES OF FUNDS				
Share Capital	1	14,53,83,350		14,53,83,350
Reserves and Surplus	2 & 3	18,95,53,862		1,65,24,713
Total Capital and Reserves			33,49,37,212	16,19,08,063
Loans : (a) Secured	4	2,12,84,000		1,50,00,000
(b) Unsecured	4	12,87,50,000		1,97,41,851
			15,00,34,000	3,47,41,851
Total			48,49,71,212	19,66,49,914
APPLICATION OF FUNDS				
(a) Fixed Assets	5	21,18,11,620		14,83,19,519
(b) Capital Work in Progress (At Cost)		1,39,44,545		—
(c) Investments	6	11,44,150		15,000
Net Long Term Assets			22,69,00,315	14,83,34,519
Current Assets, Loans and Advances	7	98,65,33,162		11,35,20,031
Less: Current Liabilities & Provisions	8	72,84,62,265		6,52,04,636
Net Current Assets			25,80,70,897	4,83,15,395
Total			48,49,71,212	19,66,49,914
Capital Commitments and Contingent Liabilities	9			

As per our Report attached

For and on behalf of
SORAB S. ENGINEER & COMPANY
Chartered Accountants

For and on behalf of
N. M. RAIJI & COMPANY
Chartered Accountants

For and on behalf of
V. SANKAR AIYAR & COMPANY
Chartered Accountants

R. N. BHATNAGAR *Chairman*

R. N. KATRAK
Partner

V. V. NERURKAR
Partner

S. SRINIVASAN
Partner

C. VENKATARAMANI *Director*

Bombay, 1st March, 1978

P. J. KISHINCHANDANI *Secretary*

New Delhi, 28th February, 1978

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST DECEMBER, 1976

NOTE 1: SHARE CAPITAL	As at 31st December, 1976	As at 31st December, 1975
	Rupees	Rupees
(i) Authorised:		
2,00,000 Preference Shares of Rs. 100 each	2,00,00,000	2,00,00,000
11,50,000 'A' Ordinary Shares of Rs. 100 each	11,50,00,000	11,50,00,000
11,50,000 'B' Ordinary Shares of Rs. 100 each	11,50,00,000	11,50,00,000
	<u>23,00,00,000</u>	<u>23,00,00,000</u>
	25,00,00,000	25,00,00,000
(ii) Issued and Subscribed:		
2,500 'A' Ordinary Shares of Rs. 100 each fully called up and paid in Cash	2,50,000	2,50,000
11,47,500 'A' Ordinary Shares of Rs. 100 each called up at Rs. 63.13 and paid in Cash	7,24,41,675	7,24,41,675
	<u>7,26,91,675</u>	<u>7,26,91,675</u>
2,500 'B' Ordinary Shares of Rs. 100 each fully called up and paid in Cash	2,50,000	2,50,000
11,47,500 'B' Ordinary Shares of Rs. 100 each called up at Rs. 63.13 and paid in Cash	7,24,41,675	7,24,41,675
	<u>7,26,91,675</u>	<u>7,26,91,675</u>
	<u>14,53,83,350</u>	<u>14,53,83,350</u>
NOTE 2: RESERVES AND SURPLUS		
(i) Capital Reserve:		
Arising from vesting of Burmah-Shell Oil Storage & Distributing Co. of India Ltd. (Note 3 and 10)	16,48,38,023	—
(ii) Development Rebate Reserve: No. 2 Arising from vesting of Burmah-Shell Oil Storage & Distributing Co. of India Ltd.	32,24,808	—
(iii) Development Rebate Reserve: No. 1		
As per last Balance Sheet	1,53,80,495	1,75,83,407
Transfer from Profit & Loss Account	—	15,210
	<u>1,53,80,495</u>	<u>1,75,98,617</u>
Less: Transfer to Profit & Loss Account	28,18,285	22,18,122
	<u>1,25,62,210</u>	<u>1,53,80,495</u>
(iv) General Reserve:		
As per last Balance Sheet	1,56,161	1,56,161
(v) Profit & Loss Account	87,72,660	9,88,057
	<u>18,95,53,862</u>	<u>1,65,24,713</u>

BHARAT PETROLEUM CORPORATION LIMITED

NOTE 3:	As at 31st December, 1976	As at 31st December, 1975
	Rupees	Rupees
Computation of amount credited to Capital Reserve in the Books of Bharat Petroleum Corporation Limited, Bombay arising from vesting of Assets & Liabilities of Burmah-Shell Oil Storage & Distributing Company of India Limited:		
The Value of Net Assets acquired	28,08,62,831	—
Less: Amount treated as loan from Central Government	11,28,00,000	—
	16,80,62,831	—
Less: Transfer to Development Rebate Reserve Account No. 2	32,24,808	—
Net shown as Capital Reserve—Ref. Note 2 (i)	16,48,38,023	—

Loss on Marketing Operations in the prevesting period (1-1-1976 to 23-1-1976) of Rs. 24,54,676 and the Profit for the year 1975 of the erstwhile Burmah-Shell Oil Storage & Distributing Company of India Limited of Rs. 21,64,478 have been taken into account while computing the Capital Reserve.

NOTE 4: LOANS

(i) Secured:

From Scheduled Banks secured by hypothecation of stock-in-trade and consumable stores	2,12,84,000	1,50,00,000
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(ii) Unsecured:

(a) From Scheduled Banks	—	1,97,41,851
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(b) Term Loans:

— Government of India	12,21,50,000	—
— Oil Industry Development Board	66,00,000	12,87,50,000
	15,00,34,000	3,47,41,851

BHARAT PETROLEUM CORPORATION LIMITED

NOTE 5: SCHEDULE OF FIXED ASSETS AS AT 31-12-1976

Classification Col. 1	COST			
	As at 31-12-1975 Col. 2 Rupees	Additions Col. 3 Rupees	Deductions including Reclassification Col. 4 Rupees	Gross Block as at 31-12-1976 Col. 5 Rupees
1. Land—including Advance Payments:				
(a) Freehold/Long Leasehold ..	1,36,87,355	51,20,917	65,348	1,87,42,924
(b) Leasehold on which premia are being written off over lease period ..	—	5,02,290	—	5,02,290
(A) TOTAL (a + b)	1,36,87,355	56,23,207	65,348	1,92,45,214
2. Buildings	3,38,09,877	4,08,82,363	56,890	7,46,35,350
3. Railway Sidings	19,40,586	98,774	4,413	20,34,947
4. Plant & Machinery	13,99,10,511	39,20,942	9,09,279	14,29,22,174
5. Tanks & Pipelines	6,72,21,221	1,19,43,964	15,457	7,91,49,728
6. Furniture & Fittings	9,20,417	14,33,838	32,416	23,21,839
7. Vehicles	49,82,308	20,50,865	1,03,604	69,29,569
(B) TOTAL	24,87,84,920	6,03,30,746	11,22,059	30,79,93,607
8. Other Assets:				
(a) Dispensing Pumps	—	1,08,46,063	763	1,08,45,300
(b) LPG Cylinders, Regulators etc.	9,77,42,659	1,16,27,778	6,55,306	10,87,15,131
(C) TOTAL (a + b)	9,77,42,659	2,24,73,841	6,56,069	11,95,60,431
GRAND TOTAL (A + B + C)	36,02,14,934	8,84,27,794	18,43,476	44,67,99,252
Previous Year	36,02,98,683	9,95,794	10,79,543	36,02,14,934

- Notes: (i) The Title Deeds in respect of a portion of land (900 Sq. Yards) at Refinery Site, for which transfer has been finalised by the State Government, are yet to be received.
- (ii) Freehold/Leasehold Land: Includes cost of Leasehold Lands aggregating to Rs. 1,15,035 acquired by the Bombay Municipality prior to 1964 for which no compensation has been fixed. Pending settlement of the compensation amount, no adjustments have been put through the Books of Account in respect of acquisition of the above Leasehold Lands.
- (iii) Column (3): Includes Rs. 7,61,16,545 representing the Net Book Value of the Fixed Assets of the undertakings in India of Burmah-Shell Oil Storage & Distributing Co. of India Ltd. arising out of vesting (Note 10 under Balance Sheet).
- (iv) Column (4): Includes Rs. 65,348 being the refund received from Special Land Acquisition Officer against Land Cost incurred in the past.
- (v) Title Deeds of certain properties belonging to the Company are kept at Area Offices, Installations, Depots, etc. As such Title Deeds of these properties could not be produced for verification by the auditors.

BHARAT PETROLEUM CORPORATION LIMITED

DEPRECIATION					
As at 31-12-1975	This Year	Deductions on account of Retirement/ Reclassification	As at 31-12-1976	Net Block as at 31-12-1976	<i>Net Block as at 31-12-1975</i>
Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
				1,87,42,924	1,36,87,355
	37,167		37,167	4,65,123	
	37,167		37,167	1,92,08,047	1,36,87,355
1,42,41,412	26,14,937		1,68,56,349	5,77,79,001	1,95,68,465
10,01,088	69,490		10,70,578	9,64,369	9,39,498
9,17,94,032	46,57,924	4,07,311	9,60,44,645	4,68,77,529	4,81,16,479
4,10,57,280	31,57,958		4,42,15,238	3,49,34,490	2,61,63,941
5,06,427	1,97,181	19,151	6,84,457	16,37,382	4,13,990
29,34,761	6,60,383	27,056	35,68,088	33,61,481	20,47,547
15,15,35,000	1,13,57,873	4,53,518	16,24,39,355	14,55,54,252	9,72,49,920
	15,39,101		15,39,101	93,06,199	
6,03,60,415	1,06,15,224	3,630	7,09,72,009	3,77,43,122	3,73,82,244
6,03,60,415	1,21,54,325	3,630	7,25,11,110	4,70,49,321	3,73,82,244
21,18,95,415	2,35,49,365	4,57,148	23,49,87,632	21,18,11,620	
20,32,82,291	87,43,071	1,29,947	21,18,95,415		14,83,19,519

BHARAT PETROLEUM CORPORATION LIMITED

NOTE 6: INVESTMENTS	No.	Face Value	Book Value	As at 31st December, 1976	As at 31st December, 1975
		Rupees	Rupees	Rupees	Rupees
(i) Quoted:					
Government Securities At Cost— (Market Value Rs. 9,73,306):					
4 % Loan 1970		1,000	985		
4 % Loan 1972		2,000	2,000		
3 % Loan 1946		7,000	6,851		
5½% Loan 1992		2,98,300	3,01,445		
5½% Loan 1995		2,13,700	2,13,716		
5½% Loan 1999		31,500	31,510		
5½% Loan 2000		5,800	5,787		
5½% Madras Loan 1980		3,000	2,943		
5½% Maharashtra State Dev. Loan 1980		17,000	16,966		
5½% Loan 2001		1,38,800	1,38,692		
5½% N.D. Loan 2001		10,100	10,092		
5½% Loan 2002		10,000	10,008		
6 % Loan 1998		2,90,000	2,82,872		
		<u>10,28,200</u>		<u>10,23,867</u>	
(Securities of the Face Value of Rs. 10,23,000 deposited with Local authorities etc.)					
(ii) Unquoted—At Cost:					
(a) National Savings Certificates (Certificates of the Face Value of Rs. 23,400 deposited with Local Authorities etc.)		23,500	23,500		
(b) Debentures (Fully Paid):					
(i) 6½% Irredeemable Debentures of Bengal Chamber of Commerce & Industry	15	15,000	15,000		15,000
(ii) 2½% Debentures Lady Ampthill Nurses Institutes & S.I.N. Association	1	9,982	9,982		
(iii) Interest Free Debentures Lady Ampthill Nurses Institutes & S.I.N. Association	1	7,000	7,000		
(iv) 5% Non-redeemable East India Clinic Limited		60,000	60,000		
Carried over		<u>1,15,482</u>	<u>1,15,482</u>	<u>10,23,867</u>	<u>15,000</u>

BHARAT PETROLEUM CORPORATION LIMITED

	No.	Face Value	Book Value	As at 31st December, 1976	As at 31st December, 1975
		Rupees	Rupees	Rupees	Rupees
Brought forward {		1,15,482	1,15,482	10,23,867	15,000
(c) Ordinary Shares (Fully Paid):					
Sindhu Resettlement Corporation Limited	4	4,000	4,000		—
Ordinary Shares in wholly-owned Subsidiary Companies (Fully Paid):					
Burmah-Shell Provident Trust (Private) Limited	3	300	300		—
Burmah-Shell Pensions Trust (Private) Limited	3	300	300		—
Burmah-Shell Properties (Private) Limited	2	200	200		—
		1,20,282		1,20,282	
(iii) Unquoted—At Book Value:					
6% Sholapur Spinning & Weaving Mills Limited (In Liquidation)	578	57,800	1	1	—
				11,44,150	15,000

Note: All the above Investments except 6½% Irredeemable Debentures in the Bengal Chamber of Commerce & Industry were acquired during the year by virtue of the Burmah-Shell (Acquisition of Undertakings in India) Act, 1976.

NOTE 7: CURRENT ASSETS, LOANS AND ADVANCES

(A) CURRENT ASSETS:

(i) Interest accrued on Investments, Bank Deposits and Loans		48,40,002	1,138
(ii) (a) Stocks in Trade:			
Raw Materials (at cost) (after deducting materials received on loan Rs. 5,97,787)		16,72,80,535	—
Finished Products (at cost or net realisable value whichever is lower) (includes materials given on loan Rs. 92,89,453—Net)		26,65,66,877	—
Packages (at cost)		90,48,966	—
(b) Stores and Spares (at cost)		5,14,40,565	7,76,50,625
(Certified as to quantity and value by a Director)		49,43,36,943	7,76,50,625
Carried over		49,91,76,945	7,76,51,763

BHARAT PETROLEUM CORPORATION LIMITED

			As at 31st December, 1976	As at 31st December, 1975
			Rupees	Rupees
		Brought forward	49,91,76,945	7,76,51,763
(iii) Sundry Debtors (Unsecured) :				
Over 6 months old :	Rupees	Rupees		
Considered good ..		1,95,63,783		3,29,727
Considered doubtful	17,19,806			—
Less: Provision for Doubtful debts	17,19,806			—
			1,95,63,783	3,29,727
Others :				
Considered good ..		7,70,15,015		2,68,61,553
Considered doubtful	20,538			—
Less: Provision for Doubtful debts	20,538			—
			7,70,15,015	2,68,61,553
			9,65,78,798	2,71,91,280
(iv) Cash and Bank Balances :				
Cash in hand and in transit			5,53,32,858	1,82,951
With Scheduled Banks on Current Accounts		1,14,49,614		1,74,145
With Scheduled Banks on Deposit Accounts		3,40,58,852		—
			4,55,08,466	1,74,145
			10,08,41,324	3,57,095
(B) LOANS AND ADVANCES (Unsecured) :				
Advances recoverable in cash or kind (Considered Good) (including due by Officers Rs. 4,95,928—maximum during the year Rs. 8,34,318—Previous Year Rs. 1,246 and Rs. 1,942 respectively)			1,82,25,318	58,83,440
Tax Credit Certificates receivable				24,36,452
Loans to Hindustan Petroleum Corporation Ltd. (Con- sidered Good) (Company under the same management— maximum during the year—Rs. 25,00,00,000)			21,41,04,000	—
Loans to Other Company (Considered Good)			4,50,00,000	—
			27,73,29,318	83,19,892
DEPOSITS :				
(a) Considered Good :	Rupees	Rupees		
With Customs, Excise etc.		76,56,790		—
Other Deposits		49,49,987		—
			1,26,06,777	—
(b) Considered Doubtful ..	77,400			—
Less: Provision ..	77,400		1,26,06,777	—
			28,99,36,095	83,19,892
			98,65,33,162	11,35,20,031

BHARAT PETROLEUM CORPORATION LIMITED

NOTE 8: CURRENT LIABILITIES AND PROVISIONS

	As at 31st December, 1976	As at 31st December, 1975
	Rupees	Rupees
(A) CURRENT LIABILITIES		
Interest accrued on Loans and Deposits	1,17,62,863	—
Acceptances	—	76,88,403
Sundry Creditors	58,03,46,609	1,71,09,562
Unclaimed Interest on Debentures	17,596	18,620
Unclaimed Debentures (Redeemed)	1,16,026	1,66,026
Deposits by Agents, Dealers and Customers	7,17,48,158	—
Unpaid Dividends for 1973	1,86,01,084	1,86,01,084
Unpaid Dividends for 1974	73,09,017	73,09,017
	2,59,10,101	2,59,10,101
Interest payable on deferred Dividend for 1974	4,31,977	1,32,790
	2,63,42,078	2,60,42,891
	69,03,33,330	5,10,25,502
(B) PROVISIONS:		
Unfunded Retirement Benefits	1,19,40,330	—
Proposed Dividend for 1976	1,45,38,335	1,01,76,835
Taxation less Payments	1,16,50,270	40,02,299
	3,81,28,935	1,41,79,134
	72,84,62,265	6,52,04,636

NOTE 9: CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

(i) Outstanding Commitments in respect of Capital Expenditure	1,13,48,595	33,375
(ii) Contingent Liabilities:		
(a) In respect of taxation matters of prior years	11,20,00,000*	75,00,000
(b) Other Matters:		
(i) Surety Bonds executed on behalf of other Oil Companies for excise duties	24,32,08,775**	—
(ii) Guarantees to Banks	12,38,000	—
(iii) Claims against the Corporation not acknowledged as debts (includes Rs. 55,04,000 against which the Corporation has a recourse for recovery)	1,31,28,802	9,40,000
(iv) Demands received from certain lessors for increased rentals, considered legally untenable. Quantum not ascertained.		

* If the contingent liabilities shown as at 31st December, 1976 materialise either in part or whole, they are recoverable from third parties.

** These guarantees have been given by the Company without the sanction of the members by a special Resolution as required under Section 370 of the Companies Act, 1956.

BHARAT PETROLEUM CORPORATION LIMITED

NOTE 10:

By virtue of the Burmah-Shell (Acquisition of Undertakings in India) Act, 1976, the right, title and interest of Burmah-Shell Oil Storage & Distributing Company of India Limited in relation to its undertakings in India was acquired by the Government of India with effect from 24th January, 1976 for a consideration as stated therein of Rs. 27,75,00,000. Under Government Notification No. G.S.R. 40(E) dated 24th January, 1976 issued under the provisions of that Act, the Government in turn transferred to, and vested on 24-1-1976 the said right, title and interest and the liabilities of Burmah-Shell Oil Storage & Distributing Company of India Limited (hereinafter referred to as B.S.M.) in relation to its undertakings in India in Bharat Petroleum Corporation Limited (then known as Burmah-Shell Refineries Limited), without any specific consideration. The Government, however, intimated the Company that out of the net Assets (Assets minus Liabilities) a sum of Rs. 11.28 Crores shall be treated as a loan from the Government of India to the Company. While reflecting the Assets and Liabilities of the Undertakings in India of B.S.M., which were vested in the Company, the following *inter alia*, are taken into account in arriving at the total value of net assets at Rs. 28,08,62,831 :

- (a) Elimination of Rs. 1.59 Crores (the effect of devaluation/revaluation of rupee currency as compared to sterling currency etc.) in the book value of fixed assets of the vested undertakings;
- (b) Rs. 1.21 Crores as the accrued estimated liability for future payments on account of retirement benefits as per the actuarial valuation to the employees of the vested undertakings (provision for these was not made in the accounts of B.S.M.).

In the Company's Accounts Rs. 11,28,00,000 is reflected as loan payable to the Central Government, Rs. 32,24,808 as Reserve for Development Rebate (which is the Development Rebate Reserve created by the erstwhile undertakings in India of B.S.M. under the provisions of the Income-Tax Act upto 23rd January, 1976 and is continued as such and shown separately in the Company's Accounts) and Rs. 16,48,38,023 as Capital Reserve being the excess of the value of the Assets of the undertakings in India of B.S.M. over its liabilities on the vesting day, after above adjustments. Releases from the aforesaid Development Rebate Reserve relating to the Fixed Assets vested in the Company will be transferred to Capital Reserve Account after the expiry of the statutory period referred to in the Income-Tax Act, 1961.

The Directors are satisfied that the fair value of the fixed assets of the undertakings in India of B.S.M. vested in the Company, would not, if independently appraised, be less than the value at which they are reflected as the vesting value in the books of account of the Company.

NOTE 11:

Figures of the previous year have been regrouped wherever necessary.

Figures in the Balance Sheet are not comparable with those of the previous year as the accounts include Assets and Liabilities of the Marketing Division also.

NOTE 12:

Confirmations for amounts due from/due to other oil companies included under Sundry Debtors, Advances and Current Liabilities respectively (including old items of past years) in the Balance Sheet are not available with the Company.

NOTE 13:

In accordance with circular No. 9/76 dated 19th May, 1976 of Government of India, the Government Companies are not deemed to be companies under the same management within the meaning of Section 370(1B)(iii) of Companies Act, 1956, and accordingly information regarding debts due and investments in Government Companies are not separately disclosed.

NOTE 14:

Transactions relating to Pool Accounts are shown at net figures. These include outstandings aggregating to Rs. 1,88,43,151 (Credit) in nine different Pool Accounts and Rs. 21,24,743 (Debit) in one Pool Account for which statements have been prepared by the Management and are awaiting audit by Chartered Accountants. The other statements have been audited by other firms of Chartered Accountants and one of the firms of Statutory Auditors. Transactions relating to certain Pool Accounts are on provisional basis and are subject to adjustments on the basis of final approval of the Government.

NOTE 15:

In addition to Loans upto Rs. 25 Crores to Hindustan Petroleum Corporation Ltd. for which the Company had obtained approval as required in accordance with provisions of Section 370 of the Companies Act, 1956, the Company had advanced Rs. 4.5 Crores to Mazgaon Dock Ltd. (a Government of India Undertaking) without the approval of the Central Government as required under the aforesaid provisions of the Companies Act. The Loans to Hindustan Petroleum Corporation Ltd. have since been fully paid.

NOTE 16:

Sundry Debtors (Others) include Rs. 26,49,728 due from a Company under the same management, Hindustan Petroleum Corporation Ltd.

NOTE 17:

Advances recoverable in Cash or in Kind include Rs. 38,74,320 to a Company under the same management, Hindustan Petroleum Corporation Ltd.—maximum during the year Rs. 6,36,89,360.

NOTE 18:

Book Value of the Assets taken over from B.S.M has been reduced to bring the total cost of these assets to the actual rupee cost by eliminating effect of devaluation/revaluation of rupee currency (as compared to Sterling Currency) accounted in earlier years.

Signatures to Notes 1 to 18

For and on behalf of SORAB S. ENGINEER & COMPANY <i>Chartered Accountants</i>	For and on behalf of N. M. RAJI & COMPANY <i>Chartered Accountants</i>	For and on behalf of V. SANKAR AIYAR & COMPANY <i>Chartered Accountants</i>	R. N. BHATNAGAR <i>Chairman</i>
R. N. KATRAK <i>Partner</i>	V. V. NERURKAR <i>Partner</i>	S. SRINIVASAN <i>Partner</i>	C. VENKATARAMANI <i>Director</i>
<i>Bombay, 1st March, 1978</i>			P. J. KISHINCHANDANI <i>Secretary</i>
			<i>New Delhi, 28th February, 1978</i>

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31ST DECEMBER, 1976**

	Note Reference	For the year ended 31st December, 1976	For the year ended 31st December, 1975
		Rupees	Rupees
INCOME:			
Sales of Products (incl. Own Use Rs. 36,31,055 —1975: Nil) (after deduction of Surrender of Rs. 94,30,81,214 (net) to Industry Pool Accounts)		5,52,09,37,757	—
Income from Refining		—	18,46,63,607
Net Recoveries from Industry & Other Pool Accounts		21,31,25,103	—
Miscellaneous Income	1	5,10,37,925	2,13,15,461
Prior Years' Income Net	2	58,38,372	8,50,988
		5,79,09,39,157	20,68,30,056
Increase in Inventory of Finished Products ..		1,43,73,448	—
		5,80,53,12,605	20,68,30,056
EXPENDITURE & CHARGES:			
Purchase of Product for Resale		21,87,36,891	—
Raw materials consumed (Net of Relief from Industry Pool Accounts)		2,46,77,66,441	—
Packages consumed		4,95,74,165	—
Duties & Other Charges applicable to Products		2,40,68,93,094	—
Transportation		18,48,76,880	—
Stores, Spares & Materials	3	12,79,33,400	6,82,58,574
Fuel & Power	4	1,34,39,632	3,01,82,034
Employees' Remuneration & Other Benefits ..	5	11,23,43,534	3,76,17,950
Remuneration to Directors (See Note 12) ..	11	4,51,665	5,80,336
Other Operating & Administration Expenses ..	6	14,00,02,299	4,27,39,687
Depreciation		2,39,25,189	87,43,071
Development Rebate Reserve		—	15,210
		5,74,59,43,190	18,81,36,862
Profit before Taxation		5,93,69,415	1,86,93,194
Provision for Taxation		4,27,50,000	1,21,11,000
Profit after Taxation carried down		1,66,19,415	65,82,194

BHARAT PETROLEUM CORPORATION LIMITED

	Note Reference	For the year ended 31st December, 1976 Rupees	For the year ended 31st December, 1975 Rupees
Balance of Profit brought down		1,66,19,415	65,82,194
Balance from Last Account		9,88,057	96,73,593
		<u>1,76,07,472</u>	<u>1,62,55,787</u>
Transfer from Development Rebate Reserve (in- cludes Rs. 4,30,562 released in the pre-vesting period in respect of assets of erstwhile B.S.M. vested in the Company)		32,48,847	22,18,122
Loss on Marketing Operations in the pre-vesting period (1-1-1976 to 23-1-1976) adjusted against Capital Reserve		24,54,676	—
		<u>2,33,10,995</u>	<u>1,84,73,909</u>
Less: Dividend for 1974 (@ Rs. 5.02741 per fully paid-up share and Rs. 3.173804 per partly paid share		—	73,09,017
Dividend for 1975 (@ Rs. 7/- per fully paid share and Rs. 4.4191 per partly paid share		—	1,01,76,835
Proposed Dividend for 1976 (@ Rs. 10/- per fully paid share and Rs. 6.313 per partly paid share		1,45,38,335	—
Balance carried to Balance Sheet		<u>87,72,660</u>	<u>9,88,057</u>

As per our Report attached

For and on behalf of
SORAB S. ENGINEER & COMPANY
Chartered Accountants

R. N. KATRAK
Partner

Bombay, 1st March, 1978

For and on behalf of
N. M. RAIJI & COMPANY
Chartered Accountants

V. V. NERURKAR
Partner

For and on behalf of
V. SANKAR AIYAR & COMPANY
Chartered Accountants

S. SRINIVASAN
Partner

R. N. BHATNAGAR Chairman

C. VENKATARAMANI Director

P. J. KISHINCHANDANI Secretary

New Delhi, 28th February, 1978

NOTES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1976

NOTE 1: MISCELLANEOUS INCOME	Rupees	For the year ended 31st December, 1976 Rupees	Rupees	For the year ended 31st December, 1975 Rupees
1. Bank and Other Interest (Gross) (Tax deducted Rs. 22,34,664—1975 Rs. Nil) ..		1,31,57,753		4,333
2. Income from Investments (Gross) (Tax deducted Rs. 8,762—1975 Rs. 112) ..		56,646		975
3. Other Income:				
Rental and Hire Charges	1,65,29,556		3,52,515	
Service Charges	21,72,206		—	
Sale of Scrap	74,59,927		33,14,452	
Others	1,16,61,216		1,76,43,186	
		3,78,22,905		2,13,10,153
4. Profit on Sale of Investments		621		—
		5,10,37,925		2,13,15,461

NOTE 2: PRIOR YEAR'S INCOME (NET)

Duties and other Charges applicable to Products		13,338		—
Operating and other Administration Expenses		9,00,287		8,50,988
Recoveries from Industry and other Pool Accounts		1,08,53,088		—
		1,17,66,713		8,50,988
Less: Sale of Products	8,37,054		—	
Purchase of Products for Resale	2,10,973		—	
Employees' Remuneration & Other Expenses	68,000		—	
Raw Materials consumed	6,16,430		—	
Transportation	41,95,884		—	
		59,28,341		—
		58,38,372		8,50,988

NOTE 3: STORES, SPARES & MATERIALS

Stores, Spares & Materials		14,35,85,538		8,23,90,455
Less: Charged to other Accounts		1,56,52,138		1,41,31,881
		12,79,33,400		6,82,58,574

BHARAT PETROLEUM CORPORATION LIMITED

NOTE 4: FUEL & POWER	For the year ended 31st December, 1976	For the year ended 31st December, 1975
(Excludes Fuel of own production consumed at the Refinery.)	Rupees	Rupees
	Rupees	Rupees
NOTE 5: EMPLOYEES' REMUNERATION & OTHER BENEFITS		
Salaries, Wages and Bonus (less amount re- covered Rs. 12,75,208; 1975—Rs. Nil) ..	8,97,44,884	2,34,59,537
Contribution to Provident and Other Funds ..	1,14,16,546	1,05,78,811
Welfare Expenses	1,11,82,104	35,79,552
	11,23,43,534	3,76,17,950
NOTE 6: OTHER OPERATING AND ADMINISTRATION EXPENSES		
Repairs to Machinery	2,47,47,685	1,67,35,963
Repairs to Buildings	30,15,043	8,66,058
Insurance	30,59,739	13,32,686
Rent	1,80,02,048	1,26,683
Rates & Taxes	56,46,196	11,33,340
Charities & Donations	2,21,205	1,250
Audit Fees:		
As Auditors	1,20,000	45,000
For other services	40,000	19,000
Out of Pocket Expenses	18,000	1,385
	1,78,000	65,385
Interest:		
On Fixed Loans	1,19,28,171	—
On other Loans	73,68,642	5,40,450
	1,92,96,813	5,40,450
Loss on Sale of Assets (Net)	5,09,765	8,16,651
Directors' Fees	5,000	12,000
Loss on Sale of Packages	10,45,785	—
Bad Debts	3,11,692	—
Excise Duty on Drums	1,15,15,273	1,01,05,346
Provision for Doubtful Debts	13,39,843	—
Other Expenses	5,11,08,222	1,10,03,865
	14,00,02,299	4,27,39,687

BHARAT PETROLEUM CORPORATION LIMITED

NOTE 7:

Depreciation has been calculated on the basis of written down value method and straight line method, in respect of Marketing Division and Refining Division respectively.

NOTE 8:

The Profit & Loss Account of the Corporation for the year ended 31st December, 1976 also includes all the Income and Expenditure and the Results of Burmah-Shell Oil Storage & Distributing Co. of India Ltd. for the period from 1st January, 1976 to 23rd January, 1976, based on accounts prepared by the present management and audited by the auditors appointed by them.

NOTE 9:

The other operating and Administration expenses include payments made for prestige and institutional advertisement amounting to Rs. 31,219 including a sum of Rs. 500 being cost of advertisement charges in the Souvenir of Bombay Pradesh Youth Congress Committee.

NOTE 10:

Raw material (Crude only) costs have been incorporated at provisional rates pending finalisation of costs, freight, other charges etc.

NOTE 11:

Other information required under the Companies Act, 1956:

	Year ended 31st December, 1976	Year ended 31st December, 1975
	Rupees	Rupees
Managerial Remuneration under Section 198:		
Salary and Allowances	2,05,692	1,47,780
Benefits	2,45,973	4,32,556
Directors' Fees	5,000	12,000

NOTE 12:

Remuneration of Rs. 4,51,665 has been paid to a Managing Director and three wholetime directors for a part of the year. This remuneration is subject to the approval of Shareholders and the Central Government.

NOTE 13:

In departure to past practice, provision of Rs. 3,98,071 has been made in Accounts for the first time towards Unfunded Retirement Benefits. Consequent to this change, profits for the year stand reduced to this extent.

NOTE 14:

Figures of the previous year have been regrouped wherever necessary. Figures in the Profit and Loss Account of the Current Year are not comparable with those of the previous year as the accounts include the effect of results of marketing operations for the year ended 31-12-1976.

NOTE 15:

Stores materials consumed include an amount of Rs. 6.84 lakhs representing the cost of 173 M.Tonnes of Drum Steel, being the difference in the Value of Drum Steel Stocks as at the Year-end and the Actual Value of Stocks ascertained on the basis of physical verification since carried out, taking into account transactions till such verification.

BHARAT PETROLEUM CORPORATION LIMITED

Year ended
31st December,
1976

Year ended
31st December,
1975

NOTE 16:

(1) Licensed and installed capacity in respect of Goods Manufactured:

(a) Fuel Refinery:

Our Refinery operates at the level prescribed by Government each month and we processed 37,54,675 tonnes of Crude in the year (previous year 35,14,918 tonnes) against capacity of 6.0 million tonnes (previous year 6.0 million tonnes). The licensed capacity is 2.09 m.m.t.

(b) Lubricants:

(i) Licensed capacity on single shift basis for manufacturing at Bombay (3,57,600 Barrels of 44 Gallons each and 5,96,000 Tins of 1 I.G. per annum) (For Budge Budge Installation, Calcutta no Licence is required)	MT p.a.	66,384	—
(ii) Installed Capacity of Bombay & Calcutta	MT p.a.	1,80,000	—
(iii) Production	MT	40,939	—
	KL	(45,606)	

(N.B.: Applicable conversion factors have been used in converting licensed capacity and production in Metric Tons.)

(c) Pesticides:

Licensed and installed capacity on double shift basis in terms of Technical Material. The blending operation is carried out on behalf of an outside party for a fee included under Service Income.

	MT p.a.	373	—
--	---------	-----	---

(d) Drum Plant:

		Number of Drums	
(i) Licensed Capacity		17,70,000	
(ii) Installed Capacity on triple shift basis		27,00,000	
(iii) Actual production		20,80,884*	

* Includes 86,780 drums manufactured for others.

(2) Raw Materials Consumed (on derived basis):

		Quantity	Value Rupees	Rupees	Rupees
(i) Crude Oil (Net of various reliefs receivable from Industry Pool Accounts)	MT	37,54,675	237,82,44,647	237,82,44,647	—
(ii) Base Oils:					
HVI	KL	26,938	5,49,84,973		
MVI	KL	1,575	24,81,504		
LVI A.	KL	1,159	15,63,886		
LVI O.	KL	14,798	3,04,91,431	8,95,21,794	—
				246,77,66,441	

BHARAT PETROLEUM CORPORATION LIMITED

Year ended
31st December,
1976

Year ended
31st December,
1975

NOTE 17:

(a) Number of Employees who were in employment throughout the year and were in receipt of remuneration during the year which in the aggregate was not less than Rs. 36,000/- was 545 (1975—124). Expenditure thereon under the following heads:

Salaries, Wages and Bonus	2,15,58,749	52,31,463
Contribution to Provident and Pension Funds	44,47,760	13,42,403

(b) Number of Employees who were in employment for part of the year and were in receipt of remuneration amounting in the aggregate to Rs. 3,000/- or more per mensem was 48 (1975—11). Expenditure thereon under the following heads:

Salaries, Wages and Bonus	9,59,747	2,06,848
Contribution to Provident and Pension Funds	2,05,986	41,115

NOTE 18: Information for each class of goods purchased, sold and stocked during the year

Quantity
KL

Value
Rupees

A. Purchases:

(a) Petroleum Products:

(i) Light Distillates	3,70,663	19,77,15,850
(ii) Middle Distillates	3,54,667	19,98,60,971
(iii) Others	75,758	<u>14,21,62,697</u>
Total		53,97,39,518

(b) Crude Oil and Other Petroleum Feedstocks (net of various reliefs receivable from the Industry Pool Accounts):

(i) Crude Oil	MT 37,15,862	233,87,48,498
(ii) Other Feedstocks	MT 1,247	

(c) Base Oils KL 59,427 12,11,50,094

(d) Packages and Containers 5,18,33,823

305,14,71,933

Less: Refined products transferred to other Oil Companies .. 32,10,02,627

273,04,69,306

Notes: (i) Crude Oil and Other Petroleum Feedstocks are refined to Petroleum Products and accordingly these Refined Products are excluded from the figures in item (a) above.

(ii) Purchases exclude Inter Product Transfers.

(iii) Applicable conversion factors have been used to convert quantities in Metric Tons to Kilolitres for Products Purchased by weight.

(iv) Previous year's figures for the above items are Nil.

BHARAT PETROLEUM CORPORATION LIMITED

		Year ended 31st December, 1976 Rupees	Year ended 31st December, 1975 Rupees
B. Sales (including own manufacture)	Quantity KL	Amount Rupees	
(a) Light Distillates	11,91,912	228,84,02,558	
(b) Middle Distillates	24,75,691	274,29,97,127	
(c) Others	8,51,257	96,39,78,085	
	<u>45,18,860</u>	<u>599,53,77,770</u>	
Less: Recoveries such as Excise Duty, Sales Tax, Octroi, Freight etc. separately shown in Sales Documents ..		47,44,40,013	
		<u>552,09,37,757</u>	

Note: Previous year's figures for the above items are Nil.

		1976			
		Opening Stock Taken over from erstwhile B.S.M.		Closing Stock	
		Quantity	Value Rupees	Quantity	Value Rupees
C. Stocks :					
(i) Petroleum Products :					
(a) Light Distillates	KL	36,099	2,12,78,914	41,857	2,33,03,336
(b) Middle Distillates	KL	1,98,830	11,61,41,388	2,29,985	13,37,16,906
(c) Others (See Note (iv))	KL	66,391	4,79,20,193	75,125	5,61,09,594
TOTAL (i)	KL	<u>3,01,320</u>	<u>18,53,40,495</u>	<u>3,46,967</u>	<u>21,31,29,836</u>
(ii) Materials for Processing/Manu- facture :					
(a) Crude Oil	MT	2,13,426	16,74,07,346	1,74,613	12,79,11,197
(b) Base Oil	KL	8,122	1,21,04,513	14,058	3,03,16,920
TOTAL (ii)			<u>17,95,11,859</u>		<u>15,82,28,117</u>
TOTAL (i) . (ii)			<u>36,48,52,354</u>		<u>37,13,57,953</u>

Notes:

- (i) Stocks include products given on loan basis to other Oil Companies and exclude Stocks received on loan basis from other Oil Companies.
- (ii) Applicable conversion factors have been used to convert quantities in M.Tons to Kilo-litres for products sold by weight.
- (iii) Value of Opening and Closing Stocks excludes Charges on Stocks.
- (iv) Includes Manufactured Goods as under: Lubricants .. KL 2,328 55,23,421
- (v) Previous Year's figures for the above items are Nil.

BHARAT PETROLEUM CORPORATION LIMITED

	Year ended 31st December, 1976 Rupees	Year ended 31st December, 1975 Rupees
D. Others :		
Export of Sundry Items :		
Purchases	57,303	2,18,722
Sales	62,637	2,31,233

NOTE 19: VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS

(a) Crude Oil and other Petroleum Feed Stocks*	287,41,74,384	—
(b) Components and Spare parts	34,27,224	—
(c) Capital goods	87,083	17,947

- Notes:* 1. Includes Local Insurance Rs. 24,05,377.
 2. Includes Crude Oil purchases from I.O.C./H.P.C. (canalized agents) Rs. 285,89,24,874*.
 3. Excludes Technical materials imported for blending pesticides on behalf of an outside party.
 4. The above figure of purchases is prior to adjustment of recoveries from Industry Pool Accounts.
 5. In the case of purchases of Lubricants canalized through Government Undertaking like Indian Oil Corporation the invoice amount has been taken as C.I.F. Value Rs. 1,52,49,510.
 * Includes Rs. 22,64,564 relating to previous year.

NOTE 20: EXPENDITURE IN FOREIGN CURRENCY

(i) Royalty	—	—
(ii) Know-how	—	—
(iii) Professional Consultation Fees	—	—
(iv) Interest	—	—
(v) Other Matters	1,03,288	4,94,209

NOTE 21: VALUE OF RAW MATERIALS, SPARE PARTS & COMPONENTS CONSUMED (ON DERIVED BASIS)

	Raw Materials		Spare parts and Components*	
	Value Rupees	%	Value Rupees	%
Imported	292,53,10,564	95.22	30,97,434	10.22
Indigenous	14,68,22,644	4.78	2,72,05,140	89.78
	<u>307,21,33,208</u>	<u>100.00</u>	<u>3,03,02,574</u>	<u>100.00</u>

- Notes:* 1. Imported Crude and Base Oils are taken at C.I.F. Values.
 2. Purchases from canalizing agencies have been considered as imports.
 3. The above figures of consumption are prior to adjustments of recoveries from Industry Pool Accounts.
 4. Previous year's figures for the above items are Nil.
 * Excludes direct charge materials.

BHARAT PETROLEUM CORPORATION LIMITED

	Year ended 31st December, 1976 Rupees	Year ended 31st December, 1975 Rupees
NOTE 22:		
Amount remitted in Foreign Currency on account of Dividend to Non-Resident Shareholders (Net of Tax)	—	53,92,794

NOTE 23: EARNINGS IN FOREIGN EXCHANGE ON ACCOUNT OF

(a) Export of goods on F.O.B. basis:		
(i) On Own Account	1,70,21,958	2,09,919
(ii) As Agents (hence not reflected in Profit & Loss Account)	38,07,078	44,72,464
(b) Proceeds of Supplies to Foreign Flag Vessels/Aircraft collected abroad	1,93,723	—
(c) Other Matters (including collecting commission on Marine Oil deliveries by Associates to Indian parties and tanker agency commission)	5,15,060	3,98,439

Signatures to Notes 1 to 23

For and on behalf of
SORAB S. ENGINEER & COMPANY
Chartered Accountants

R. N. KATRAK
Partner

Bombay, 1st March, 1978

For and on behalf of
N. M. RAIJI & COMPANY
Chartered Accountants

V. V. NERURKAR
Partner

For and on behalf of
V. SANKAR AIYAR & COMPANY
Chartered Accountants

S. SRINIVASAN
Partner

R. N. BHATNAGAR *Chairman*

C. VENKATARAMANI *Director*

P. J. KISHINCHANDANI *Secretary*

New Delhi, 28th February, 1978

BHARAT PETROLEUM CORPORATION LIMITED

STATEMENT PURSUANT TO SECTION 212(1)(e) OF THE COMPANIES ACT, 1956

	No. of Shares	Paid up Value		For the Financial year ended 31st December, 1976	Previous Financial year cumulative Total
		Rupees		Rupees	Rupees
1. Shares in the subsidiary companies were registered in the names of the nominees of the Company as indicated:			2. Net aggregate amount of the Profit of the subsidiary company not dealt with in the Company's account so far as they concern the members of the Company are:		
As at 31st December 1976:					
Burmah-Shell Provident Trust Private Limited ..	3	300	Burmah-Shell Provident Trust Private Limited ..	—	—
Burmah-Shell Pensions Trust Private Limited ..	3	300	Burmah-Shell Pensions Trust Private Limited ..	—	—
Burmah-Shell Properties Private Limited ..	2	200	Burmah-Shell Properties Private Limited ..	—	—

R. N. BHATNAGAR
Chairman

C. VENKATARAMANI
Director

P. J. KISHINCHANDANI
Secretary

New Delhi,
28th February, 1978

BURMAH-SHELL PROVIDENT TRUST PRIVATE LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors have pleasure in submitting this, their Report for the year ended 31st December, 1976 along with the Balance Sheet of the Company as at that date and the Profit & Loss Account for the year.

The Company continued to act as the Trustees of the Indian and Labour Provident Funds of Bharat Refineries Limited (formerly of Burmah-Shell Oil Storage & Distributing Co. of India Ltd.) during the year. Burmah-Shell Oil Storage & Distributing Co. of India Ltd. was taken over by the Government of India on 24th January, 1976 and its assets and liabilities were subsequently vested in Bharat Refineries

Ltd. The Company did not engage itself in any other activity and did not incur any profit or loss during the year. Your Directors, therefore, do not recommend any dividend for the year.

Messrs. N. M. Raiji & Company, V. Sankar Aiyar & Company and Sorab S. Engineer & Company were appointed Auditors of the Company by the Central Government for the year 1976.

A. K. DESAI
Director

R. K. GAJREE
Director

*Bombay,
27th June, 1977*

BURMAH-SHELL PENSIONS TRUST PRIVATE LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors have pleasure in submitting this, their Report for the year ended 31st December, 1976 along with the Balance Sheet of the Company as at that date and the Profit & Loss Account for the year.

The Company continued to act as the Trustees of the India Pension Fund of Bharat Refineries Limited (formerly of Burmah-Shell Oil Storage & Distributing Co. of India Ltd.) during the year. Burmah-Shell Oil Storage & Distributing Co. of India Ltd. was taken over by the Government of India on 24th January, 1976 and its assets and liabilities were subsequently vested in Bharat Refineries

Ltd. The Company did not engage itself in any other activity and did not incur any profit or loss during the year. Your Directors, therefore, do not recommend any dividend for the year.

Messrs. N. M. Raiji & Company, V. Sankar Aiyar & Company and Sorab S. Engineer & Company were appointed Auditors of the Company by the Central Government for the year 1976.

A. K. DESAI
Director

R. K. GAJREE
Director

*Bombay,
27th June, 1977*

BURMAH-SHELL PROPERTIES PRIVATE LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors have pleasure in submitting this, their Report for the year ended 31st December, 1976 along with the Balance Sheet of the Company as at that date and the Profit & Loss Account for the year.

The Company continued to act as the Trustees of certain properties of Bharat Refineries Limited (formerly of Burmah-Shell Oil Storage & Distributing Co. of India Ltd.) during the year. Burmah-Shell Oil Storage & Distributing Co. of India Ltd. was taken over by the Government of India on 24th January, 1976 and its assets and liabilities were subsequently vested in Bharat Refineries Ltd. The Company did not engage

itself in any other activity and did not incur any profit or loss during the year. Your Directors, therefore, do not recommend any dividend for the year.

Messrs. N. M. Raiji & Company, V. Sankar Aiyar & Company and Sorab S. Engineer & Company were appointed Auditors of the Company by the Central Government for the year 1976.

A. K. DESAI
Director

R. K. GAJREE
Director

*Bombay,
27th June, 1977*

BURMAH-SHELL PROVIDENT TRUST PRIVATE LIMITED

PROFIT AND LOSS ACCOUNT FOR

1975	DEBIT	1976
<i>Rupees</i>		<i>Rupees</i>
24.00	To Collection Charges	24.00
<u>24.00</u>		<u>24.00</u>

BALANCE SHEET AS

1975	CAPITAL & LIABILITIES	1976
<i>Rupees</i>		<i>Rupees</i>
	Capital :	
	(a) Authorised :	
1,000.00	10 Ordinary Shares of Rs. 100/- each	1,000.00
	(b) Issued, Subscribed and fully paid in cash :	
300.00	*3 Ordinary Shares of Rs. 100/- each	300.00
<u>300.00</u>		<u>300.00</u>

* All the above Shares are held by the nominees of Bharat Refineries Limited, the Holding Company.

Auditors' Report to the Shareholders

We report that we have audited the above Balance Sheet and the Profit & Loss Account and in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and the Profit & Loss Account give respectively a true and fair view of the state of the Company's affairs as at 31st December, 1976 and of the results for the year ended that date.

We have obtained all the information and explanations which were necessary for the purposes of our audit and proper books of account have been kept so far as appears from our examination of those books. In our opinion the Balance Sheet and the Profit & Loss Account, which are in agreement with the books, give in the manner prescribed, the information required by the Companies Act, 1956.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1975 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and as per the information and explanations given to us, we further state that since the Company did not carry out any activities during the year except holding a fixed deposit with a bank and earning interest thereon and since there were no assets, fixed or current excepting the said fixed deposit with a bank and no outside liabilities, none of the matters specified in the abovementioned Order are applicable to this Company for the year under audit.

For and on behalf of
N. M. RAIJI & COMPANY
Chartered Accountants

V. V. NERURKAR
Partner

Bombay,
28th June, 1977

For and on behalf of
V. SANKAR AIYAR & COMPANY
Chartered Accountants

R. JAYASHANKAR
Partner

For and on behalf of
SORAB S. ENGINEER & COMPANY
Chartered Accountants

R. N. KATRAK
Partner

BURMAH-SHELL PROVIDENT TRUST PRIVATE LIMITED

THE YEAR ENDED 31ST DECEMBER, 1976

1975	CREDIT	1976
<i>Rupees</i>		<i>Rupees</i>
24.00	By Interest	24.00
24.00		24.00

AT 31ST DECEMBER, 1976

1975	PROPERTY & ASSETS	1976
<i>Rupees</i>		<i>Rupees</i>
	Current Assets, Loans and Advances:	
	Current Assets:	
300.00	Fixed Deposit with Mercantile Bank Limited, Calcutta	300.00
300.00		300.00

A. K. DESAI }
R. K. GAJREE } *Directors*
O. P. MATHUR *Secretary*

BURMAH-SHELL PENSIONS TRUST PRIVATE LIMITED

PROFIT & LOSS ACCOUNT FOR

1975	DEBIT	1976
<i>Rupees</i>		<i>Rupees</i>
<u>24.00</u>	To Collection Charges	24.00
<u>24.00</u>		<u>24.00</u>

BALANCE SHEET AS

1975	CAPITAL & LIABILITIES	1976
<i>Rupees</i>		<i>Rupees</i>
	Capital:	
	(a) Authorised:	
<u>1,000.00</u>	10 Ordinary Shares of Rs. 100/- each	<u>1,000.00</u>
	(b) Issued, Subscribed and fully paid in cash:	
<u>300.00</u>	*3 Ordinary Shares of Rs. 100/- each	<u>300.00</u>
<u>300.00</u>		<u>300.00</u>

* All the above Shares are held by the nominees of Bharat Refineries Limited, the Holding Company.

Auditors' Report to the Shareholders

We report that we have audited the above Balance Sheet and the Profit & Loss Account and in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit & Loss Account give respectively a true and fair view of the state of the Company's affairs as at 31st December, 1976 and of the results for the year ended that date.

We have obtained all the information and explanations which were necessary for the purposes of our audit and proper books of account have been kept so far as appears from our examination of those books. In our opinion the Balance Sheet and the Profit & Loss Account, which are in agreement with the books, give in the manner prescribed, the information required by the Companies Act, 1956.

As required by the Manufacturing and other Companies (Auditor's Report) Order, 1975 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and as per the information and explanations given to us, we further state that since the Company did not carry out any activities during the year except holding a fixed deposit with a bank and earning interest thereon and since there were no assets, fixed or current excepting the said fixed deposit with a bank and no outside liabilities, none of the matters specified in the abovementioned Order are applicable to this Company for the year under audit.

For and on behalf of
N. M. RAIJI & COMPANY
Chartered Accountants

V. V. NERURKAR
Partner

Bombay,
28th June, 1977

For and on behalf of
V. SANKAR AIYAR & COMPANY
Chartered Accountants

R. JAYASHANKAR
Partner

For and on behalf of
SORAB S. ENGINEER & COMPANY
Chartered Accountants

R. N. KATRAK
Partner

BURMAH-SHELL PENSIONS TRUST PRIVATE LIMITED

THE YEAR ENDED 31ST DECEMBER, 1976

1975	CREDIT	1976
<i>Rupees</i>		<i>Rupees</i>
24.00	By Interest	24.00
<u>24.00</u>		<u>24.00</u>

AT 31ST DECEMBER, 1976

1975	PROPERTY & ASSETS	1976
<i>Rupees</i>		<i>Rupees</i>
	Current Assets, Loans and Advances:	
	Current Assets:	
300.00	Fixed Deposit with The Chartered Bank, Bombay	300.00
<u>300.00</u>		<u>300.00</u>

A. K. DESAI	}	<i>Directors</i>
R. K. GAJREE		
O. P. MATHUR		<i>Secretary</i>

BURMAH-SHELL PROPERTIES PRIVATE LIMITED

PROFIT AND LOSS ACCOUNT FOR

1975	DEBIT	1976
<i>Rupees</i>		<i>Rupees</i>
13.79	To Collection Charges	16.00
<u>13.79</u>		<u>16.00</u>

BALANCE SHEET AS AT

1975	CAPITAL & LIABILITIES	1976
<i>Rupees</i>		<i>Rupees</i>
	Capital:	
	(a) Authorised:	
20,000.00	200 Ordinary Shares of Rs. 100/- each	20,000.00
	(b) Issued, Subscribed and fully paid in cash:	
200.00	*2 Ordinary Shares of Rs. 100/- each	200.00
<u>200.00</u>		<u>200.00</u>

* All the above Shares are held by the nominees of Bharat Refineries Limited, the Holding Company.

Auditors' Report to the Shareholders

We report that we have audited the above Balance Sheet and the Profit & Loss Account and in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit & Loss Account give respectively a true and fair view of the state of the Company's affairs as at 31st December, 1976 and of the results for the year ended that date.

We have obtained all the information and explanations which were necessary for the purposes of our audit and proper books of account have been kept so far as appears from our examination of those books. In our opinion the Balance Sheet and the Profit & Loss Account, which are in agreement with the books, give in the manner prescribed, the information required by the Companies Act, 1956.

As required by the Manufacturing and other Companies (Auditor's Report) Order, 1975 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and as per the information and explanations given to us, we further state that since the Company did not carry out any activities during the year except holding a fixed deposit with a bank and earning interest thereon and since there were no assets, fixed or current excepting the said fixed deposit with a bank and no outside liabilities, none of the matters specified in the abovementioned Order are applicable to this Company for the year under audit.

For and on behalf of
N. M. RAIJI & COMPANY
Chartered Accountants

V. V. NERURKAR
Partner

Bombay,
28th June, 1977

For and on behalf of
V. SANKAR AIYAR & COMPANY
Chartered Accountants

R. JAYASHANKAR
Partner

For and on behalf of
SORAB S. ENGINEER & COMPANY
Chartered Accountants

R. N. KATRAK
Partner

THE YEAR ENDED 31ST DECEMBER, 1976

1975	CREDIT	1976
<i>Rupees</i>		<i>Rupees</i>
13.79	By Interest	16.00
<u>13.79</u>		<u>16.00</u>

31ST DECEMBER, 1976

1975	PROPERTY & ASSETS	1976
<i>Rupees</i>		<i>Rupees</i>
	Current Assets, Loans and Advances:	
	Current Assets:	
200.00	Fixed Deposit with Mercantile Bank Limited, Calcutta ..	200.00
<u>200.00</u>		<u>200.00</u>

A. K. DESAI	}	<i>Directors</i>
R. K. GAJREE		
O. P. MATHUR		<i>Secretary</i>

